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AUDITOR GENERAL

**STATE OF ARIZONA**  
**OFFICE OF THE**  
**AUDITOR GENERAL**

WILLIAM THOMSON  
DEPUTY AUDITOR GENERAL

February 3, 2006

The Honorable Laura Knaperek, Chair  
Joint Legislative Audit Committee

The Honorable Robert Blendu, Vice Chair  
Joint Legislative Audit Committee

Dear Representative Knaperek and Senator Blendu:

Our Office has recently completed a 24-month followup of the Wilson Elementary School District's implementation status for the 37 audit recommendations (including sub-parts of the recommendations) presented in the performance audit report released in December 2003. As the attached grid indicates:

- 35 of the 37 recommendations have been implemented, and
- 2 of the 37 recommendations are in the process of being implemented.

Unless otherwise directed by the Joint Legislative Audit Committee, this report concludes our follow-up work on the District's efforts to implement the recommendations resulting from the December 2003 performance audit.

Sincerely,

Debbie Davenport  
Auditor General

Enclosure

cc: Governing Board  
Antonio Sanchez, Superintendent  
Wilson Elementary School District

# Wilson Elementary School District

## 24-Month Follow-Up Report To

### Performance Audit Report Issued December 2003

TOPIC:      Administration

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
1. The District should evaluate its administrative expenditures, including salaries, employee benefits, purchased services, and supplies costs and identify specific expenditures that can be reduced to make more money available to spend in the classroom.	Implemented at 18 months	
2. The District should ensure that advance payments meet statutory requirements.	Implemented at 6 months	
3. At the end of the Superintendent's current contract term, or upon issuing a new contract, the District should revise the provision requiring the District to provide a personal-use vehicle, and should ensure contract provisions clearly define the contract's amount and other benefits, such as healthcare coverage, to be provided.	Implemented at 18 months	
4. The District should consult with a tax adviser to determine its obligations for reporting taxable vehicle and expense account benefits provided to the Superintendent in his contract.	Implemented at 6 months	
5. The District should ensure that it no longer subsidizes charter high school costs and that it recovers any equipment, such as computers, that it had loaned to the charter school under the intergovernmental agreement.	Implemented at 6 months	

**Wilson Elementary School District  
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TOPIC:      Administration (concl'd)

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
6. The District should ensure that it follows procurement rules, including obtaining oral or written quotations, and sealed bids, as appropriate.	Implemented at 18 months	
7. The District should ensure that all reimbursement requests include adequate documentation to ensure expenditures are appropriate and are for authorized purposes.	Implemented at 6 months	
8. The District should establish a policy for credit card use and ensure that balances are paid in full and timely to avoid finance charges and late fees.	Implemented at 12 months	
9. The District should ensure that the revolving fund balance does not exceed \$5,000 and that the account is not used to pay expenditures such as salaries and benefits.	Implemented at 6 months	
10. The District should ensure that it no longer issues blank checks and should closely monitor signature stamps to ensure that only authorized employees have access to them and that the stamps are used appropriately.	Implemented at 6 months	

**Wilson Elementary School District  
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TOPIC: Food Service

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
1. To comply with state procurement rules and optimize the use of food service monies, the District should evaluate all food purchases to determine whether they could be purchased at a better price from the cooperative purchasing group's contracted vendors.	Implemented at 12 months	
2. To properly manage inventories and protect them against loss, theft, or spoilage, the District should: <ul style="list-style-type: none"> <li>a. Consistently count and inspect items received before paying for them.</li> <li>b. Date-stamp food supplies and manage inventory on a first-in, first-out basis.</li> </ul>	<p>Implemented at 12 months</p> <p>Implemented at 12 months</p>	
3. To help identify high-cost areas and remain self-supporting, the District should identify, calculate, and analyze performance measures and periodically assess financial results.	Implemented at 12 months	
4. The business office should regularly provide the food service director with financial data, such as revenue and expenditure reports.	Implemented at 12 months	

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TOPIC: Food Service (concl'd)

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
<p>5. To protect food service collections against theft or loss, the District should:</p> <p>a. Train staff to enter transactions directly into its computerized system, or ensure it reconciles cash to the manual listing; and</p> <p>b. Lock cash drawers when not in use.</p>	<p>Implemented at 12 months</p> <p>Implemented at 12 months</p>	
<p>6. The District should not allow adults to charge meals, in accordance with ADE's Child Nutrition Program guidelines.</p>	<p>Implemented at 6 months</p>	
<p>7. Before continuing to provide food service to the charter high school, the District needs to:</p> <p>a. Analyze the total cost of providing food service.</p> <p>b. Enter into a Child Nutrition Program-approved agreement that ensures adequate compensation for all costs incurred.</p>	<p>Implemented at 12 months</p> <p>Implemented at 6 months</p>	

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TOPIC:      Student Transportation

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
<p>1. Prior to renewing its transportation contract for fiscal year 2005, the District should evaluate its transportation costs and then identify alternatives that will allow it to operate a more cost-effective transportation program. In addition, the District should ensure that all information included in any transportation RFP is accurate to help ensure it obtains the best possible price.</p>	<p>Implemented at 18 months</p>	
<p>2. The District should ensure that contractor invoices for student transportation services are accurate and reflect the terms of the contract. Additionally, the District should seek to recover the \$60,822 from its contractor for the bus it was billed for but was not provided with in fiscal years 2002 and 2003.</p>	<p>Implementation in process</p>	<p>The District contracts with a transportation consultant who reviews the vendor's invoices and reports for accuracy. The District's attorney sent a letter to the transportation contractor in July 2005 requesting the \$60,822. The District has not yet obtained repayment of the monies even though it still contracts with this same transportation vendor.</p>
<p>3. The District needs to review its transportation routes to ensure the routes are efficient and determine the number of buses needed.</p>	<p>Implemented at 18 months</p>	

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TOPIC:      Student Transportation (concl'd)

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
4. The District should file corrected transportation reports with ADE for fiscal years 2002 and 2003. In the future, the District should obtain detailed reports from the contractor and accurately report student rider counts and mileage to ADE to ensure its state transportation aid is correct.	Implemented at 18 months	
5. The District should ensure the charter high school reimburses the cost of its student transportation.	Implementation in process	The District no longer provides transportation services to the charter high school and is continuing to seek reimbursement for transportation services provided in prior years.
6. The District should update its policy for alcohol and controlled substance testing to align it with the Department of Public Safety's standards. Additionally, the District should monitor its driver's certification and ensure that the driver is screened randomly for drug and alcohol use.	Implemented at 6 months	

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TOPIC: Plant Operation and Maintenance

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
1. The District should determine the actual amount subsidized for the charter high school's utilities and waste disposal costs for fiscal years 2002 and 2003, and then seek reimbursement. The District should also ensure that it does not subsidize the charter high school utilities in the future.	Implemented at 24 months	
2. The District should develop a district-wide energy conservation plan, which could include: a. Monitoring utilities use to identify and correct inefficiencies. Steps may include such things as working with an energy consultant, evaluating lighting and other electricity uses, limiting temperature ranges on thermostats, and determining whether specific problems, such as water leaks, exist. b. Initiating other energy reduction efforts, such as evaluating future computer, lighting, or other purchases for energy efficiency. c. Educating staff and students about energy conservation and encouraging them to help reduce the District's energy use. d. Evaluating whether to charge any community group a fee for using its facilities.	Implemented at 18 months	



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**TOPIC:** Plant Operation and Maintenance (concl'd)

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
3. The District should reevaluate its salary levels for custodial and maintenance positions based on market surveys or other factors and make adjustments.	Implemented at 18 months	
4. The District should evaluate whether it could save money by having its own staff maintain the grounds.	Implemented at 12 months	
5. The District should determine the value of cleaning services provided to the charter high school and seek reimbursement.	Implemented at 12 months	

**TOPIC:** Proposition 301 Monies

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
1. The District should obtain Governing Board approval of its Proposition 301 plan, including performance pay plan requirements.	Implemented at 6 months	
2. The District should clarify its performance pay plan to specify what the goals are, how they will be measured, what level of achievement is required for accomplishment, and how much money is attached to each goal.	Implemented at 6 months	

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TOPIC: Classroom Dollars

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
1. The District should ensure expenditures of capital monies and lease proceeds are in accordance with statute and the Uniform Chart of Accounts.	Implemented at 24 months	
2. The District should notify the State Board of Education about the expenditures in excess of its general budget limit and file a revised annual financial report for fiscal year 2002.	Implemented at 6 months	
3. The District should classify all transactions in accordance with the Uniform Chart of Accounts for school districts.	Implemented at 12 months	

TOPIC: Desegregation

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
1. The District should ensure that its desegregation expenditures directly support its desegregation plan.	Implemented at 12 months	